

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Building bridges...



...believe in your dream, achieve a higher education!

2006 Annual Report

MHEAA - MHESLA

2006 ANNUAL REPORT



This photo of Dr. David B. Steinaman, the designer of the Mackinac Bridge, and the photos throughout the 2006 MHEAA-MHESLA Annual Report are courtesy of the Michigan Department of Transportation. The photos contained in this annual report show the early construction of the bridge and its current splendor. The Mackinac Bridge opened for traffic on November 1, 1957, and is celebrating its 50th anniversary this year.

Mission Statement

The mission of the Student Financial Services Bureau is to excel in assisting citizens to pursue postsecondary education by providing equality of access to student financial resources and information.

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72 (Rev. 4-06)



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

March 1, 2007

In the late 1800s a newspaper article in the *Grand Traverse Herald* spoke of the desire to have a tunnel or bridge that spanned the Straits of Mackinac to provide service year-round for northern Michigan. The editor of the Herald, while noting that a bridge or tunnel was feasible, offered the opinion that the cost would ultimately be the factor in determining if a span would be built.

Today, Michigan students and their families are in similar a situation: that a postsecondary education is attainable, but costs will be a factor in their decision to attend. With the enactment of Public Act 77 of 1960 establishing the Michigan Higher Education Assistance Authority (MHEAA) and the enactment of Public Act 222 of 1975 establishing the Michigan Higher Education Student Loan Authority (MHESLA), the authorities have been given a unique responsibility in Michigan to ensure that the citizens of Michigan are provided equality of access to student financial resources and information.

Each year, tens of thousands of Michigan students and parents receive the benefit of knowing that MHEAA and MHESLA provide this access through scholarships and grants, loans, and financial aid information, affording students the opportunity to attain their higher education goals. As Executive Director for MHEAA and MHESLA, I commend the authorities' staff for their professionalism and dedication throughout the year with their commitment to working with Governor Granholm's goal to double the percentage of Michigan citizens who attain college degrees or other credentials that link them to success in Michigan's economy.

In 2006 MHEAA awarded over \$102 million in scholarships and grants to more than 80,000 students and the authorities' state and federal loan programs assisted over 422,000 students and parents by providing affordable and accessible student loan products and benefits. Student financial resources are the basis for the role of the authorities, yet financial information and literacy are vital to our success. Informational materials and a belief that a postsecondary education is achievable are passed on to students from as young as kindergarten- and elementary-age students...all with the hope that these students will dream, believe, and ultimately achieve a postsecondary education.

This 2006 MHEAA and MHESLA Annual Report, submitted in accordance with Section 10 of Public Act 77 of 1960, is a look back on the accomplishments and highlights of the authorities. I invite you to learn about the work MHEAA and MHESLA undertook in 2006 to provide equality of access to student financial resources and information to the citizens of Michigan.

Sincerely,

A handwritten signature in cursive script that reads "Patricia W. Scott".

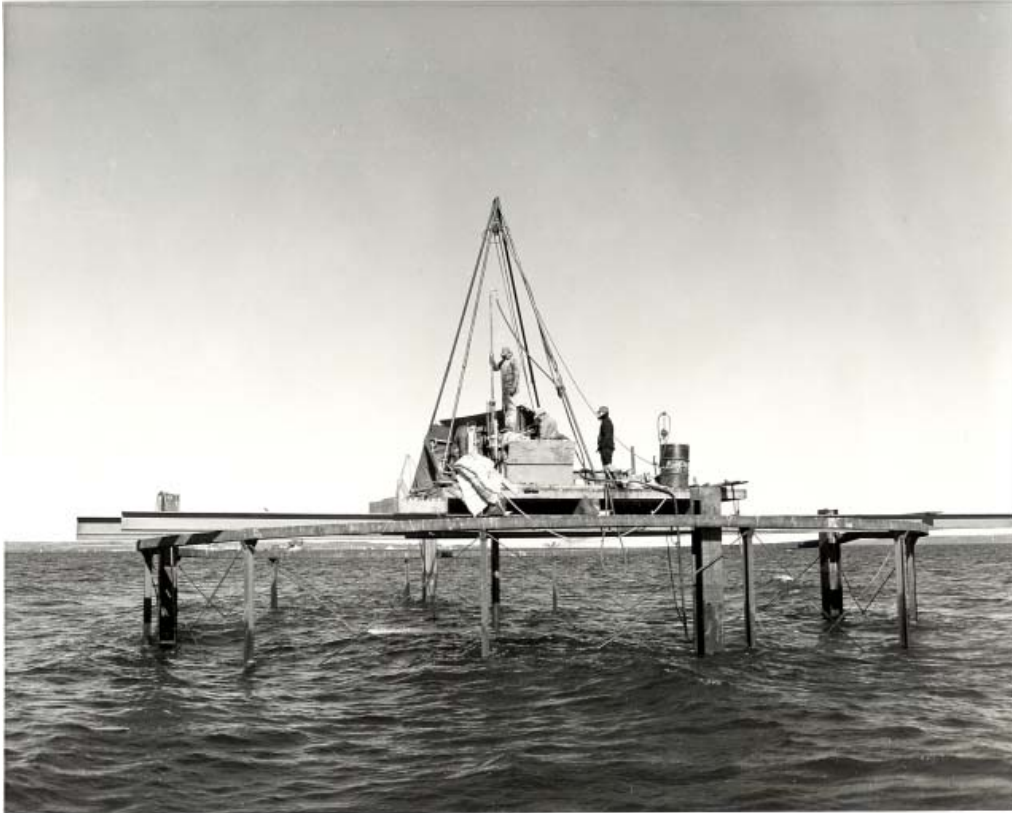
Patricia W. Scott, Executive Director
Michigan Higher Education Assistance Authority
Michigan Higher Education Student Loan Authority

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With the enactment of Public Act 248 on December 1, 2005, the Children of Veterans Tuition Grant (CVTG) program was transferred from the Michigan Department of Military and Veterans Affairs to the Michigan Higher Education Assistance Authority. The law provides \$2,800 in annual postsecondary tuition assistance to certain children whose parents died while on active federal military service or whose parents received a total and permanent disability rating from the U.S. Department of Veteran Affairs. Eligible students must be older than 16 and less than 26 years of age and may attend either private or public colleges, universities, or community colleges located in Michigan. In Fiscal Year (FY) 2006 the Office of Scholarships and Grants awarded 368 students \$812,596 in CVTG funds.

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In 2006 Michigan was awarded an \$18 million Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant for six years by the U.S. Department of Education. This grant will expand the existing state-funded Martin Luther King, Jr.-Cesar Chavez-Rosa Parks (KCP) College Day Program. The mission of GEAR UP/College Day Program is to significantly increase the number of low-income, underrepresented students who complete high school and are prepared to enroll and succeed in postsecondary education. The state of Michigan will provide educational preparedness and college awareness to 13,267 low-income, underrepresented students in 38 target school districts and 77 school buildings throughout the state. This is done by promoting academic excellence through early intervention services such as tutoring, mentoring, academic advising, career and college preparation assistance, and financial aid workshops, as well as professional development opportunities for teachers and counselors.

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Preface

Overview

The Michigan Higher Education Assistance Authority (MHEAA) was established under Public Act 77 of 1960 to enhance freedom of choice and equality of access to Michigan students seeking a postsecondary education. MHEAA administers a wide variety of state and federal scholarship, grant, and loan programs. In addition MHEAA annually assists hundreds of thousands of Michigan citizens through public service and outreach initiatives. The first meeting of MHEAA was held in December 1960, and MHEAA guaranteed its first student loan in November 1962.

The Michigan Higher Education Student Loan Authority (MHESLA) was created by Public Act 222 of 1975 to provide loans for postsecondary education to students and parents. MHESLA offers several borrower benefits through their Michigan Student Loan Program, the State Secondary Market, and the Michigan Alternative Student Loan (MI-LOAN) Program. MHESLA's programs are financed by tax-exempt and taxable financings. There are no state appropriations required to make or acquire the loans or for the administration of the programs. MHESLA's Fiscal Affairs section is responsible for the accounting and reporting, cash management and investing, budget, and technical analysis activities for MHESLA and for MHEAA. Fiscal activities include providing financial statements and required federal and state reports to various entities, acting as a liaison to state, federal, and private auditors, developing and monitoring MHESLA and MHEAA (collectively the "Authorities") budgets, and providing technical assistance and advice on options for financial management programs.

Regular MHEAA and MHESLA meetings are held at least once each calendar quarter at a time and place deemed appropriate, within the state of Michigan. Special MHEAA and MHESLA meetings may be called by the Chair and/or Executive Director when events warrant prompt attention. All meetings comply with the provisions of the Open Meetings Act, Public Act 267 of 1976. MHEAA and MHESLA members are appointed by the Governor, with the advice and consent of the Senate. Members are appointed for four-year terms of office, holding office until their successor's appointment is qualified. Terms of one-fourth of the members will expire each year, with vacancies being filled for the balance of an unexpired term. The State Treasurer or the State Treasurer's designee serves as the Chair, ex-officio of the Authority, and the other 15 members include: two representatives from private colleges; two representatives from community colleges; one representative from the University of Michigan; one representative from Michigan State University; one representative from Wayne State University; two representatives from all other four-year public colleges and universities; one representative from secondary schools; one representative from eligible lending institutions; one representative from private occupational schools; and three representatives from the citizens of the state, chosen for their interest in higher education but not employed by, professionally affiliated with, or on the governing body of a college, university, or public high school. Members of MHEAA and MHESLA do not receive compensation for their services.

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In FY 2006 the Michigan Higher Education Assistance Authority provided over \$2.6 million to approximately 6,000 financially needy, independent undergraduate students who had been out of high school for at least two years. This program, the Adult Part-Time Grant (APTG), has assisted over 127,000 students since the program began in 1986-87 by awarding approximately \$46.5 million in APTG funds to Michigan students enrolled on a part-time basis at participating public or independent degree-granting Michigan colleges or universities.

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Responsibilities

The Role of MHEAA and MHESLA

MHEAA and MHESLA were formed under Michigan legislation with the express purpose of benefiting Michigan students. In the 47 years since the establishment of the Authorities, MHEAA and MHESLA have consistently provided premier customer service, nationally recognized borrower benefit programs, and a commitment to deliver the best financial aid resources to Michigan students, with particular attention given to helping students attend and stay in Michigan after graduation.

To successfully carry out the mission to assist Michigan students and families, MHEAA and MHESLA must perform exceptionally in a variety of roles, from serving as the federally designated guarantor for the state of Michigan, to working with the Michigan Student Financial Aid Association, individual schools, and lenders in the delivery of training and financial aid programs. MHEAA and MHESLA also strategically partner with other associations and organizations to provide free public services to the community.

In a number of areas, the role of MHEAA and MHESLA helps make Michigan student's dreams of going to college a reality.

The Authorities:

- Promote access to financial aid resources and information through outreach activities with students, high school counselors, financial aid professionals, and other strategic partners so students and families can plan for and succeed in higher education.
- Administer federal and state loan programs designed to help Michigan students and parents meet the cost of higher education.
- Obtain and insure capital for higher education student loans made through the Federal Family Education Loan Program (FFELP) as well as the MI-LOAN Program.
- Remain a self-supporting agency within Michigan state government and annually reinvest fund earnings to support student loan borrower benefit programs and to fund free public service outreach initiatives.
- Maximize partnerships to ensure low-cost student loan delivery to all Michigan students.

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The Student Financial Services Bureau's Outreach Services, partnering with a non-profit organization called Partnership for Learning, provided technical assistance for the coordination throughout Michigan of 26 College Goal Sunday sites. More than 2,300 Michigan residents participated in College Goal Sunday in 2006 with approximately 1,283 Free Application for Federal Student Aid forms submitted, a 46% increase from 2005 and an 85% increase from 2004.

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Executive Summary

Fiscal Year 2006 in Review

MHEAA and MHESLA are privileged to work with Governor Granholm to achieve the goal of doubling the percentage of Michigan citizens who attain college degrees or other credentials that link them to success in Michigan's economy. In FY 2006 the Authorities awarded more than \$102 million in grants and scholarships and administered more than \$1.8 billion in federal and state student loan programs to help Michigan students attend college.

In 2006 the Authorities initiated and/or continued to work with state and federal financial aid programs designed to assist Michigan citizens and students. Highlights of these programs include:

- Michigan was awarded an \$18 million GEAR UP grant for six years by the U.S. Department of Education. The state of Michigan will provide educational preparedness and college awareness to 13,267 low-income, underrepresented students in 38 target school districts and 77 school buildings throughout the state.
- The Michigan Guaranty Agency's (MGA) Outreach Team, partnering with a non-profit organization called Partnership for Learning, provided technical and financial assistance in FY 2006 for the coordination of 26 College Goal Sunday sites located in Michigan.
- MGA, for the second consecutive year, guaranteed over \$1 billion in loans in one year for students attending institutions of higher education.
- In the past fiscal year the Michigan Students First (MSF) borrower benefit program helped students and parents save over \$13 million in up-front costs on their Stafford and PLUS loans, with the potential for additional future savings.
- In FY 2006 MHESLA's MI-LOAN Program approved over \$68 million in alternative student loans to assist Michigan students attending Michigan colleges and universities.
- As of September 30, 2006, MHESLA's State Secondary Market has acquired \$2.7 billion in FFELP loans.
- Approximately 2,377 students who received the Michigan Nursing Scholarship are now working as nurses in Michigan helping to address the nursing shortage.
- The Office of Scholarships and Grants awarded over \$6.5 million in Work-Study funds, providing work opportunities for financially needy undergraduate and graduate students to help pay for educational expenses.

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The Michigan Competitive Scholarship (MCS) Act was signed into law in 1964. The MCS program is available to undergraduate students pursuing their first degrees at an approved Michigan postsecondary institution. Students must demonstrate both financial need and merit, and eligible applicants must take the ACT and achieve a qualifying score prior to entering college. Since 1964 the MCS program has assisted over 887,000 Michigan students by awarding over \$950 million in funds to help them achieve their dream of a postsecondary education.

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Scholarship and Grant Program Descriptions

Michigan Scholarship and Grant Programs

Michigan Competitive Scholarship (MCS): MCS is a program funded by the state of Michigan and is based on both financial need and merit. Students may use MCS funds at degree-granting Michigan public and independent postsecondary institutions. Awards are restricted to the cost of tuition and fees, and the award maximum was \$1,300 in FY 2006. The legal basis for MCS is Public Act 208 of 1964.

Michigan Nursing Scholarship (MNS): MNS is a non-need-based award available to Michigan residents enrolled at least half-time at an eligible institution in a program leading to a Licensed Practical Nurse (LPN) certification, Associate Degree in Nursing (ADN), or Bachelor of Science in Nursing (BSN). The MNS provides up to \$4,000 per year for students, and converts to a loan if the student does not complete education and/or work requirements. The legal basis for MNS is Public Act 591 of 2002.

Michigan Educational Opportunity Grant (MEOG): MEOG funds are available for needy undergraduate students who enroll on at least a half-time basis at a Michigan public community college or university. The grant provides up to \$1,000 per academic year. The legal basis for MEOG is Public Act 273 of 1986.

Adult Part-Time Grant (APTG): APTG is intended for financially needy, independent undergraduates who have been out of high school for at least two years. Eligible students must enroll at a participating public or independent degree-granting Michigan college or university on a part-time basis. The maximum grant is \$600 per year for not more than two years of study. The legal basis for APTG is Public Act 102 of 1986.

Michigan Tuition Grant (MTG): MTG is intended to provide students with increased access and choice to attend degree-granting Michigan independent postsecondary institutions. The need-based award maximum was \$2,000 in FY 2006. The legal basis for MTG is Public Act 313 of 1966.

Children of Veterans Tuition Grant (CVTG): CVTG is designed to provide undergraduate tuition assistance up to \$2,800 to Michigan resident children of certain deceased or disabled members of the armed forces of the United States attending college in Michigan. The legal basis for CVTG is Public Act 248 of 2005.

Federal Scholarship and Grant Programs

Leveraging Educational Assistance Partnership Program (LEAP): LEAP provides federal matching funds for states administering comprehensive need-based student financial assistance programs. Existing state program regulations authorize states to assist students. These funds supplement MCS. The legal basis for LEAP is Public Law 89-239 of Title IV.

Robert C. Byrd Honors Scholarship (Byrd Scholarship): The Byrd Scholarship, which provides \$1,500 to high school graduating seniors, is a federally funded program administered by the state. The program is intended to promote student excellence and achievement, and to recognize exceptionally able students who show promise of continued achievement.

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The Michigan Higher Education Student Loan Authority approved over \$68 million in loan disbursements through its MI-LOAN Program. The MI-LOAN Program is offered for the exclusive use of students who are attending Michigan degree-granting colleges and universities. This alternative loan program is intended to help students bridge the gap between college costs and traditional financial aid resources.

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Self-help Financial Aid Program Descriptions

Michigan Self-help Financial Aid Program Descriptions

Michigan Alternative Student Loan (MI-LOAN) Program: The MI-LOAN Program offers an alternative source of loan funds to creditworthy and credit-ready Michigan students and parents to assist in meeting the costs of postsecondary education. The legal basis for the MI-LOAN Program is Public Act 222 of 1975, as amended.

State Secondary Market (SSM): The SSM purchases federally insured loans from financial institutions as a means of liquidating their assets and providing new capital to reinvest in new student loans. The legal basis for SSM is Public Act 222 of 1975, as amended.

Michigan Work-Study (MWS) Program: The MWS Program gives needy undergraduate and graduate students the opportunity to earn money toward their education while enrolled in school. The legal basis for the MWS Program is Public Act 303 of 1986 (graduate) and Public Act 288 of 1986 (undergraduate).

Michigan Student Loan Program (MSLP): The MSLP offers subsidized and unsubsidized Federal Stafford, PLUS, and Consolidation loans to students and parents. The legal basis for MSLP is Public Act 222 of 1975, as amended.

Federal Self-help Financial Aid Program Descriptions

Federal Family Education Loan Program (FFELP): MHESLA lends, and MGA insures, student and parent borrowers money for higher education purposes through the Federal Stafford, PLUS, and Consolidation Loan Programs.

Federal Consolidation Loan Program: Allows student and parent borrowers to consolidate several types of federal student loans into one loan. The legal basis for the Federal Consolidation Loan Program is the Higher Education Act of 1965, as amended.

Federal PLUS and Graduate PLUS Loan Programs: Allows parents to borrow on behalf of undergraduate students to help meet educational expenses. The legal basis for the Federal PLUS Loan Program is the Higher Education Act of 1965, as amended. The legal basis for the Graduate PLUS Loan Program is the Deficit Reduction Act of 2005.

Federal Subsidized Stafford Loan Program: Offers low interest rate loans. Interest is subsidized by the federal government pending certain requirements. The legal basis for Federal Stafford loans is the Higher Education Act of 1965, as amended.

Federal Unsubsidized Stafford Loan Program: Offers low interest rate loans. The federal government does not subsidize interest. The legal basis for Federal Stafford loans is the Higher Education Act of 1965, as amended.

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Since establishment in 1960 through Public Act 77, the Michigan Higher Education Assistance Authority's Michigan Guaranty Agency has guaranteed over \$11 billion in Federal Stafford (subsidized and unsubsidized), Supplemental Loans for Students, PLUS, Graduate PLUS, and Consolidation loans for students and parents seeking to attain a higher education.

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Special Michigan Program Descriptions

Special Michigan Program Descriptions

Michigan Engineering Incentive (MEI): MEI is a unique program designed to encourage more students to consider study and careers in the engineering and technology fields by offering a zero percent (0%) interest rate and a credit equal to the federal loan origination fee for eligible students in an eligible engineering or technology program.

Michigan Students First (MSF): Through MSF, borrowers can lower the cost of their federal Stafford and PLUS loans with a credit equal to the origination fee and a zero percent (0%) interest rate after 36 on-time payments.

Michigan Advantage Consolidation (MAC): This program allows eligible student loans to be combined into one loan with the following borrower benefits: one-quarter of one percent (.25%) reduction in the interest rate for automatic electronic payments and a one percent (1%) reduction in the interest rate after 36 on-time payments, with a minimum consolidation amount of \$7,500.

Electronic Payment Savings (EPS): EPS provides borrowers with an option for automated loan payments and an interest rate reduction of one-quarter of one percent (.25%) on all FFELP loans.

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The Michigan Guaranty Agency (MGA) is a component of the Michigan Higher Education Assistance Authority. MGA operates four loan programs which are intended to guarantee subsidized and unsubsidized Federal Stafford loans, Federal PLUS loans, Federal Graduate PLUS loans, and Federal Consolidation loans made by banks, credit unions, insurance companies, certain federal agencies, and by the Michigan Higher Education Student Loan Authority.

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Fund Distribution

Financial Aid Program Fund Distribution

PROGRAM	VOLUME	AMOUNT
<u>Scholarships and Grants</u>		
Michigan Competitive Scholarship	26,434	\$30,970,293
Michigan Tuition Grant	35,942	54,697,756
Adult Part-Time Grant	5,949	2,641,895
Michigan Educational Opportunity Grant	4,635	2,066,572
Michigan Nursing Scholarship	1,379	3,964,549
Children of Veterans Tuition Grant	368	812,595
<u>Work-Study</u>		
Michigan Undergraduate Work-Study	5,362	\$6,697,143
Michigan Graduate Work-Study	115	198,386
<u>Loans</u>		
Federal Subsidized Stafford Loan Program - MGA	137,361	\$407,269,784
Federal Unsubsidized Stafford Loan Program - MGA	118,899	400,697,304
Federal PLUS Loan Program - MGA	6,442	45,264,876
Federal Graduate PLUS Loan Program - MGA	253	3,610,290
Federal Consolidation Loan Program - MGA	15,140	357,056,054
Michigan Student Loan Program - MHESLA	10,591	104,365,696
MI-LOAN Program - MHESLA	8,231	68,246,110
State Secondary Market - MHESLA	125,837	432,414,136
TOTAL	502,537	\$1,920,973,439

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The Office of Scholarships and Grants (OSG) call center handled more than 87,000 telephone calls regarding student financial aid programs in FY 2006. The call center staff also responded to over 8,000 general email messages regarding program eligibility and criteria. OSG call center staff assists students, parents, postsecondary institutions, and high school counselors.

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Early Awareness and Outreach Services

The Student Financial Services Bureau's Outreach Services

When asked the question, "What do you want to be when you grow up?" many children respond that they want to be a teacher, police officer, doctor, engineer, or even the Governor of Michigan. Outreach Services is dedicated to making children's dreams come true by helping families plan for a higher education. It is important to the growth of our economy that citizens, both young and old, have the belief that a higher education is achievable. In support of Governor Granholm's goal to double the number of Michigan citizens with a college education, Outreach Services is dedicated to making a degree beyond high school accessible for every child in Michigan.

Access to higher education is not only a concern for Michigan citizens, it is a national concern. In an effort to address this concern, the College Access Initiative was signed into law on February 8, 2006, as part of the Deficit Reduction Act of 2005. This federal law requires state guaranty agencies to establish a plan to promote access to postsecondary education by:

1. Providing the public with information on Internet web links of postsecondary education opportunities, programs, and other services available in the state.
2. Promoting and publicizing information to students and traditionally underrepresented populations on college planning, career preparation, and paying for college.

In 2006 Outreach Services continued its dedication to promoting access to higher education through various programs and activities. Highlights include:

- Provided approximately 33,500 students and parents with information and programs on obtaining a postsecondary education through presentations, participation in college fairs, and through a collaboration with the Michigan Student Financial Aid Association on two early awareness programs called "Lessons in Dollars" and the "Real Awareness Lesson (R.E.A.L.)" program.
- The development, printing, and distribution of publications designed to provide students and families with information on planning for and pursuing a postsecondary education. In 2006 more than two million students and parents benefited from these publications.
- The coordination of the annual High School Counselor Video Conference that provides updated federal and state financial aid program information along with a live question and answer period for high school and middle school counselors. The 2006 Video Conference was broadcast to 26 sites in Michigan with over 700 counselors in attendance.
- Outreach Services, partnering with a non-profit organization called Partnership for Learning, provided technical and financial assistance in the coordination of 26 College Goal Sunday sites located in Michigan. More than 2,300 Michigan residents participated in College Goal Sunday in 2006 with approximately 1,283 Free Application for Federal Student Aid forms submitted, a 46% increase from 2005 and an 85% increase from 2004.

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The Michigan Guaranty Agency provides twice yearly instructional workshops for financial aid professionals at Michigan's colleges, universities, and proprietary/trade schools. Workshop topics included federal policy and regulatory changes, student loan processing information, student retention efforts, and the Family Educational Rights and Privacy Act. The 2006 fall workshops were attended by 128 participants from 55 institutions and the spring 2006 workshops were attended by 91 participants representing 40 institutions.

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Members of the Authorities

Members of MHEAA and MHESLA

MHEAA and MHESLA perform services to help make a postsecondary education attainable for Michigan residents. Members appointed by the Governor with the advice and consent of the Michigan Senate govern the Authorities. Members of the Authorities represent a variety of postsecondary and lending institutions, as well as Michigan citizens.

Mr. Robert J. Kleine, Chair Ex-Officio
State Treasurer

Mr. Jack D. Minore
Representing Citizens of the State

Mr. Harvey Bronstein, Vice-Chair
Representing Community Colleges

Dr. Marshall Shaink
Representing Community Colleges

Ms. Phyllis Hooyman, Vice-Chair Pro Tem
Representing Private Colleges

Dr. E. John Shinsky
Representing Four-year State-supported
Universities

Mr. James Barker, Secretary/Treasurer
Representing Eligible Lending Institutions

Mr. Nathaniel Smith-Tyge
Representing Citizens of the State

Dr. Craig Douglas
Representing Secondary Schools

Mr. Stephen Terry
Representing Citizens of the State

Mr. Harvey Hollins III
Representing Wayne State University

Ms. Gina M. Torielli
Representing Private Colleges

Mr. Jonathan D. Liebman
Representing Private Occupational Schools

Ms. Cynthia H. Wilbanks
Representing the University of Michigan

Ms. Colleen M. McNamara
Representing Michigan State University

Ms. Kathleen M. Wilbur
Representing Four-year State-supported
Universities

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**Michigan Council
on Economic Education**

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Partners

MHEAA and MHESLA Partners Who Share our Goals

MHEAA and MHESLA are engaged in various local, state, and national partnerships to help improve access to postsecondary education for Michigan citizens. These partnerships assist MHEAA and MHESLA to increase access to higher education for Michigan students. Together, we develop programs that help support and strengthen our commitment to an expanded educated workforce in Michigan. Some of these partnerships include:

Michigan Student Financial Aid Association (MSFAA): MSFAA, founded in 1968, is a state organization that brings together postsecondary schools and other public and private organizations involved with providing financial aid for students. MSFAA's mission is to enhance student financial aid awareness, to promote student access to postsecondary education, and to provide professional development opportunities for its members.

Mapping Your Future (MYF): MYF is a public-service, nonprofit Web site providing career, college, financial aid, and financial literacy information and services to students, their families, and schools. MYF's vision is to be the leading public-service, collaborative provider of free information and services for schools, and for students and families as they consider college, financial aid, careers, and financial literacy options. Its mission is to enable individuals to achieve life-long success by empowering schools, students, and families with free, Web-based college, financial aid, career, and financial literacy information and services.

Partnership for Learning (Partnership): The Partnership is a nationally award-winning non-profit that helps schools and communities work together to raise achievement from cradle to college. Each year, Michigan families use more than 1,000,000 copies of its publications in more than 90% of public and private schools and colleges. The Partnership's training and events involve thousands of participants and more than 300 volunteers.

Michigan Council on Economic Education (MCEE): The MCEE provides leadership promoting and strengthening economic education in Michigan. Independent and nonpartisan, the organization provides in-service and pre-service training for teachers, develops and distributes curriculum materials, builds excitement for learning through student competitions, offers guidance to school systems seeking advice on curriculum development, and recognizes teachers and school systems for outstanding endeavors. Independently affiliated with the National Council on Economic Education, MCEE is part of a network of state councils and university-based centers promoting economic literacy. The National Council is recognized throughout the U.S. and the world as the premier source of teacher training, educational materials, and curriculum reform in economic education. MCEE programs and services help educators bring economic success and understanding to students who must function in a complex, rapidly changing environment.

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The Michigan Work-Study Undergraduate and Graduate Programs provide work opportunities to help needy students pay educational expenses. Qualifying students must enroll at a participating public or independent degree-granting Michigan college or university on at least a half-time basis. Michigan Work-Study jobs are usually on-campus, but many colleges have agreements with off-campus employers. In FY 2006 the Michigan Higher Education Assistance Authority awarded 5,477 students over \$6.5 million in Michigan Work-Study funds.

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Advisory Committee

The Student Financial Services (SFS) Advisory Committee

The success of the Michigan student financial aid programs can be attributed to the cooperation and contributions of all program participants. The SFS Advisory Committee exists to enhance that cooperation and provide guidance to SFS staff in accomplishing our responsibilities with regard to all state financial aid programs. The advisory committee, chosen from among Michigan's schools and lenders, meets to review procedural and policy changes, goals, legislation, school and lender recommendations, and current issues. This collaboration with Michigan's higher education community gives SFS the opportunity to meet the needs of each school and lender in the support of access to higher education.

Ms. Diane Bice
Financial Aid Director
Kettering University

Ms. Marianne Casey
Student Lending Manager
Comerica Bank

Ms. Daisy Cordero
Financial Aid Administrator
Wayne State University

Ms. Susan Crkovski
Executive Director of Financial Aid
Davenport University

Ms. Deonna Decker
Assistant Vice President
Citibank

Ms. Kim Desgranges
Director of Campus Relations
Nelnet

Mr. Mike Foster
Student Loan Sales Manager
LaSalle Bank, Midwest, N.A.

Ms. Pam Fowler
Director, Financial Aid Office
University of Michigan

Ms. Carol Greenough
Student Loan Officer
Wanigas Federal Credit Union

Mr. Ronnie Higgs
Director, Financial Aid Office
Ferris State University

Ms. Christine J. Horler
Director of Financial Aid
Dorsey Business Schools

Ms. Bernice Lindke
Assistant VP for Enrollment Services
Eastern Michigan University

Mr. Mark Martin
Director of Financial Aid
Lawrence Technological University

Mr. Robert Nelson
Director of Student Loans
Baker College

Ms. Wilma Porter
Director of Financial Assistance and Scholarships
Oakland Community College

Ms. Kristine Rembach
Vice President
Bank One

Mr. Rick Shipman
Director, Office of Financial Aid
Michigan State University

Mr. Gary Sole
Vice President
National City Bank

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In an effort to make college education more affordable for Michigan families, the Michigan Higher Education Student Loan Authority is proud to offer Michigan Students First (MSF), an exclusive borrower benefit to save students and parents money on their student loans. MSF benefits include payment or reimbursement of the Loan Origination Fee, reduced PLUS loan interest rates, and a 0% interest rate after 36 monthly payments on-time. In FY 2006 MSF borrower benefits helped Michigan students and parents save over \$13 million in up-front costs on their Stafford and PLUS loans.

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Statement of Compliance

MHEAA and MHESLA comply with all federal laws and regulations prohibiting discrimination and with all requirements and regulations of the U.S. Department of Education. It is the policy of MHEAA and MHESLA that no person on the basis of race, color, religion, national origin or ancestry, age, sex, marital status, or handicap shall be discriminated against, excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in any program or activity for which it is responsible or for which it receives financial assistance from the U.S. Department of Education.

The publication of this annual report is mandated by Section 10 of Act 77 of the Public Acts of 1960, as amended.

All photos in the 2006 MHEAA-MHESLA Annual Report and Appendices courtesy of the Michigan Department of Transportation.

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